

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Pursuant to the authority of Iowa Code section 15.106A, the Iowa Economic Development Authority hereby amends Chapter 59, “Enterprise Zone (EZ) Program,” and Chapter 68, “High Quality Jobs Program (HQJP),” Iowa Administrative Code.

This adopted rule making makes technical changes to the Authority’s administrative rules, as required by 2016 Iowa Acts, House File 2443. The amendment to rule 261—59.15(15E) provides that the Authority may amend an enterprise zone agreement for compliance reasons if the total award amount is not increased. The amendments to rule 261—68.4(15) change the existing phrase “new investment directly related to jobs created or retained by the project” to “new investment.”

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2996C** on March 29, 2017. The Authority did not receive any written or oral comments. These amendments are identical to those published under Notice.

The Economic Development Authority Board adopted these amendments at its meeting held on June 16, 2017.

These amendments do not have any fiscal impact to the state of Iowa.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement 2016 Iowa Acts, House File 2443.

These amendments will become effective November 15, 2017.

The following amendments are adopted.

ITEM 1. Amend subrule 59.15(3) as follows:

59.15(3) On or after July 1, 2014, a city or county shall not create an enterprise zone under Iowa Code chapter 15E, division XVIII, or enter into a new agreement ~~or amend an existing agreement~~ under Iowa Code chapter 15E, division XVIII. A city or county and the authority, with the approval of the authority board, may amend an agreement for compliance reasons if the amendment does not increase the amount of incentives awarded under the agreement.

ITEM 2. Amend subrule 68.4(4) as follows:

68.4(4) *Investment tax credit.*

a. Claiming the investment tax credit. Pursuant to Iowa Code section 15.333, the approved business may claim an investment tax credit equal to a percentage of the new investment ~~directly related to jobs created or retained by the project~~. The tax credit shall be earned when the qualifying asset is placed in service.

(1) to (3) No change.

b. Investment qualifying for the tax credit. For purposes of this subrule, new investment ~~directly related to jobs created or retained by the project~~ means all of the following:

(1) to (4) No change.

The approved business shall not claim a tax credit above the amount defined in the final award documentation or the amount specified in a contract entered into with the authority.

ITEM 3. Amend subrule 68.4(5) as follows:

68.4(5) *Insurance premium tax credit.* Pursuant to Iowa Code section 15.333A, the approved business may claim an insurance premium tax credit equal to a percentage of the new investment ~~directly related to jobs created or retained by the project~~.

a. Claiming the tax credit. The tax credit shall be earned when the qualifying asset is placed in service. The tax credit shall be amortized equally over a five-year period which the authority will, in consultation with the eligible business, define. The five-year amortization period shall be specified in a contract entered into with the authority. The tax credit shall be allowed against taxes imposed under Iowa Code chapter 432. A tax credit in excess of the tax liability for the tax year may be credited to the tax liability for the following seven years or until depleted, whichever occurs first.

b. Investment qualifying for the tax credit. For purposes of this subrule, new investment ~~directly related to jobs created or retained by the project~~ means all of the following:

(1) to (4) No change.

The approved business shall not claim a tax credit above the amount defined in the final award documentation or the amount specified in a contract entered into with the authority.

[Filed 9/15/17, effective 11/15/17]

[Published 10/11/17]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 10/11/17.